INSIDE THIS ISSUE:

Creating Economic Opportunity and Stopping Government Overspending
Fighting for the Right Kind of Health Care Reform
Strengthening Agriculture, Energy, and Environmental Policy
Ensuring National Security and Global Stability
Upholding Family Life and Culture
Working for You

Dear Friends,



Thank you for the privilege of representing you in the United States Congress. I have prepared the following report as an overview of my work on your behalf in 2010 - I hope you will find it useful.

Our nation today faces unprecedented challenges: a deepening federal debt that threatens our financial stability and undermines economic recovery, the ongoing war in Afghanistan and turmoil across the Middle East, the risk of nuclear weapons spreading to volatile states, and the struggle in our own culture to uphold nurturing environments for children and the protection of the vulnerable.

It is important to remember that past generations of Americans have overcome similarly great obstacles. Our nation is still a model of liberty and justice for the world. There is nothing that is wrong in America that cannot be fixed by what is right in America.

Please take time to review the report. Your thoughts and ideas about our progress are important, and I encourage your input.

Sincerely,

H

Jeff Fortenberry Member of Congress

Creating Economic Opportunity and Stopping Government Overspending

Since 2000, the national debt and government spending have doubled, in part due to the economic downturn after September 11, 2001, the costs of the Iraq and Afghanistan wars, and the damage caused by Hurricane Katrina. Compounding the problem is the dizzying array of spending since October 2008, which has increased the debt by nearly \$2.3 trillion. Wall Street bailouts and stimulus spending bills have obligated taxpayers to a staggering level of liability in

the name of economic recovery and have further consolidated deposited assets into fewer hands.

Our national debt is nearly \$14 trillion are terms, every American citizen owes around \$43,000 toward the debt.

Our country's economic challenges continue to take a heavy toll, particularly on those without work. The national unemployment rate remains just under 10 percent. Recently, separate reports found that the poverty rate had risen over the last year to record high levels with one in seven Americans living below the poverty line, and that one in six Americans is now receiving some type of government assistance, also a new national record.

While the causes of the current recession are many, I believe federal overspending and overreach are contributing to an erosion of our nation's economic confidence. I have encouraged lawmakers in Washington to look to the Heartland for a model of sound fiscal governance. Relative to much of the country, Nebraska and other Great Plains states have fared well during the economic recession. Our state continues to have the third-lowest unemployment rate in the nation, and is consistently at or near the top of national surveys of states' financial health and environment for jobs. A national radio program recently asked me what accounts for Nebraska's strengths

I said there were three things: a strong agricultural economy, small business diversification, and

said there were three things: a strong agricultural economy, small business diversification, and Nebraskans' practical sense regarding responsible lending, finance, and governance.

The spending culture in Washington is now so prevalent that a return to fiscal order requires extraordinary resolve and bold action. Structural reforms are needed to right our course.

Tax Policies Affecting Families and Small Businesses

The recent near-expiration of certain tax reductions has made tax policy a very pressing issue for Nebraskans and for all Americans. In 2001 and 2003 legislation was enacted to provide needed tax relief to individuals, married couples and families, as well as small businesses. Those tax reductions were scheduled to expire at the end of 2010, but congressional action was taken in December to prevent an increase in income tax rates, the marriage penalty, taxes on qualified dividends, and estate taxes. It is important to note that this tax relief has saved the average Nebraska family an estimated \$1,600 per year since implementation. Unfortunately, this tax bill was loaded with hundreds of billions of unpaid-for special benefits, which I could not support.

An additional item of concern in tax policy is the onerous 1099 tax form requirement for small businesses and rental property owners

. In my ongoing dialogue with Nebraskans, many small business owners expressed serious problems with a new requirement to complete 1099 tax forms for certain business purchases.

Section 9006 of the *Patient Protection and Affordable Care Act*, the new health care law, requires any business that purchases more than \$600 of goods or services from another business to submit a 1099 tax form to the Internal Revenue Service beginning in 2012. I share the concern that this requirement will be costly and burdensome on small businesses.

To address this problem, I co-sponsored H.R. 5141, the <u>Small Business Paperwork Mandate</u> Elimination Act , which will repeal this

provision. I also recently called for an immediate up or down vote in the House of Representatives to repeal this provision.

The ongoing uncertainty of future tax rates and provisions, along with aggressive federal overspending, has negatively impacted the ability of the economy to rebound. It is my strong belief that Washington does not have as much of a revenue problem as it has a spending problem. Given the fragile economy, it is best to focus on spending decreases and debt reduction to restore economic confidence.

Getting our Nation's Fiscal House in Order



On August 13, I welcomed Dr. Thomas Hoenig, President of the Federal Reserve Bank of Kansas City, to a community town hall meeting in Lincoln . Dr. Hoenig, one of the nation's top economists, has famously challenged public policies that support a "too big to

fail" financial philosophy.

I invited Dr. Hoenig to initiate a broad discussion with Nebraskans about our nation's long-term fiscal stability. He led an insightful exchange about the importance of sound monetary policy and the urgent need to get our federal government's fiscal house in order. Unfortunately, as we have seen currently in Washington D.C., there is neither a political will nor a mechanism for addressing the spiraling debt and deficit.

We cannot avoid the debt fight any longer. We cannot continue to borrow and spend in hopes of prosperity. We must understand that structural indebtedness is the same as taxation. Borrowing pushes taxes onto our children in the future, sells America's assets to countries like China, and creates the conditions for inflation as the government is tempted to print money. Inflation hits seniors and the poor the hardest. Responsible solutions for lasting economic recovery must also address long-term simplification of the tax code.

Here are a few structural budgetary reforms I will support. A balanced budget requirement would call on the President to submit a balanced budget to Congress, and prohibit Congress from spending in excess of government revenues without a super-majority or certain emergency situations. Many states, including Nebraska, have balanced budget requirements, recognizing that imprudent and excessive government expenditures are a threat to long-term economic well-being, and the federal government should not be exempt.

Second, restoring the line-item veto would allow the President to veto any limited tariff benefit, targeted tax benefit, or congressionally-directed spending. The line-item veto has not been used since a 1998 Supreme Court ruling requiring the President to approve or reject any bill in total

I support a legislative solution to restore this important budgeting tool.

Lastly, we need a <u>Biennial Budgeting Act</u> to require the President to submit a two-year budget during the first session of Congress, changing the current practice of submitting a one-year budget at the beginning of each year. During the first session, Congress would produce a budget resolution and 12 appropriations bills to cover a two-year period. During the second session, Congress would consider any authorization or emergency spending bills, and would engage in oversight of federal agencies. This structural reform would encourage more discipline and strategic planning in the budgeting process. Interestingly, the city of Lincoln recently enacted this policy.

□ Working for the Right Kind of Health Care Reform



During and following the health care reform debate, an unprecedented number of constituents contacted me to share their perspectives on health care, which directly affects every American family. I deeply appreciated Nebraskans' civic engagement on this important issue. I received significant feedback from doctors, nurses, and other health care practitioners at hospitals and facilities across the district, small business owners I hosted at an employee wellness summit, and many families during town hall meetings and tele-town hall phone calls. Your thoughts greatly informed my thinking.

While I support prudent reforms to our health care system, <u>I am deeply concerned that the new health care law does not address the underlying drivers of escalating costs, shifts costs to more unsustainable spending, and erodes health care liberties</u>

. I voted against the bill. I think it is best to start over by repealing and redrafting legislation. I recently signed a "discharge petition," a procedural vehicle that would require an immediate up or down vote in the House of Representatives to repeal this new health care law.

No one disputes the diagnosis: our health care system must be strengthened. However, with a more pragmatic and bipartisan approach, I believe Congress potentially could have reached major agreements on such critical issues as prevention, health and wellness, and more affordable insurance options for small businesses, farmers, families, and vulnerable persons. While I do support some limited measures that are in the current bill, such as helping to cover those with preexisting conditions, prohibiting insurance policy rescission, and lifting lifetime caps, I believe Congress can deliver better solutions overall for the benefit of you and your family

Health and Wellness



Seventy-five percent of our nation's \$2.2 trillion health care bill is spent on the treatment of chronic conditions and obesity-related diseases, <u>much of which could be prevented or managed more responsibly</u>

in a manner that

could save billions of dollars to our system. A 2009 congressional field hearing I hosted in Lincoln examined

the extraordinary opportunities to reduce costs and improve outcomes through incentivizing wellness

, and I introduced a bill that would promote better health and wellness standards. Incentivizing health and wellness practices, with good nutrition as a central focus, should be a top health care priority.

As <u>Ranking Member of the House Agriculture Subcommittee with jurisdiction over nutrition issues</u>, I helped lead a review of the effectiveness of federal nutrition programs on individual health and wellness and obesity. Our nation's nutrition program enables persons in vulnerable circumstances to have access to a wide variety of nutrition selections. As we carefully allocate resources, an important topic of consideration should be the quality and health-promoting choices at the dinner table for families. This principle of healthy food combined with wise stewardship and personal responsibility should guide the goals of this program and other health-related policies.

Strengthening the Farm Economy, Energy, and Environmental Policy





8 / 10



